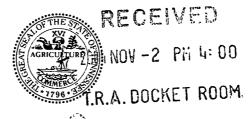
TENNESSEE REGULATORY AUTHORITY

Pat Miller, Chairman Deborah Taylor Tate, Director Sara Kyle, Director Ron Jones, Director



460 James Robertson Parkway Nashville, Tennessee 37243-0505

November 2, 2004

H. LaDon Baltimore Farrar & Bates, LLP 211 – 7th Avenue North, Suite 420 Nashville, TN 37219-1823

RE: Docket # 04-00372 – Petition of Hickory Star Water Company, LLC For Approval of Wholesale Water Rate Pass-Through Mechanism

Dear Mr. Baltimore:

After reviewing the above petition, we find that additional information is needed to clarify the filing. Please provide the following information by November 16, 2004.

- 1. The Company states it currently has 65 customers. Provide a schedule showing the number of customers and the amount of usage for these customers (as a whole) by month from November 1999 to the present.
- 2. Does the Company have any commercial customers? If so, provide the number and usage for each per month for the last 12 months.
- 3. Identify the types of customers and number of each type (i.e. homes, recreational vehicle spaces, lodge, office space, etc.) currently being served.
- 4. Provide an estimate of the time necessary to complete the installation of the additional 39 recreational vehicle spaces.
- 5. Exhibit 3 attached to the petition shows the "Outside City" rates Hickory Star currently pays to the City of Maynardville for monthly usage. Provide a schedule showing the rates paid in November 1999. Also, provide the dates of any increases from the City of Maynardville since that time including a schedule of rates at each increase.
- 6. What long range plan for growth does the Company have?
- 7. What are the maximum number of customers that this area can accommodate?

Thank you for your attention to this matter. If you should have any questions, you may contact Pat Murphy at (615) 741-2904, ext. 178.

Sincerely.

Warlene Standley, Chief

Utilities Division